

MEDIA RELEASE

MCIS Life Strengthens Relationship With Merchantrade

Life insurer acquires stake in Merchantrade Asia Sdn Bhd, fortifies collaboration

Petaling Jaya, 22 November 2021 - MCIS Insurance Berhad (MCIS Life) has taken up a 4.99% stake in Merchantrade Asia Sdn Bhd, the leading e-money player and the country's largest Money Services Business operator, through the acquisition of new ordinary shares of an undisclosed amount.

The two companies kicked-off a marketing distribution arrangement in 2019 where MCIS Life provided a life insurance protection plan for Merchantrade's customers which includes Malaysians as well as migrant workers.

In August 2021, they teamed up again to provide a product targeted at underserved communities such as Malaysians eligible for the Perlindungan Tenang Voucher (PTV) scheme.

The strategic collaboration has come at an opportune time as the value of life insurance and other relevant financial products have magnified amidst the pandemic. The combined strength and synergy between both companies are poised to unlock more innovative, personalised, digital insurance solutions to meet the protection needs of customers from all walks of life.

This strategic acquisition is set to accelerate MCIS Life's digital transformation journey and leverage on Merchantrade's digital capabilities, access to extensive network of over 1,000 physical touchpoints throughout the country and their three million customers.

MCIS Life CEO and Managing Director Mr. Prasheem Seebran said Merchantrade is a fast-growing fin-tech company constantly at the forefront of digitisation and driving innovation in financial services thereby allowing the former to pivot on their expertise in pursuing the company's ambition to be a digitally focused life insurer.

Mr. Ramasamy Veeran, Founder and Managing Director of Merchantrade said: "Having an established brand like MCIS Life with us resonates with our goals of expanding our insurance offerings as it allows us to better develop next-generation products and services that continue to add positive value to customers and communities around us as we make the future convenient, easier and more secure for generations to come."

"Building from our core businesses with strategic partnerships and collaborations, we will continue to accelerate the rollout of innovative financial services and strengthen our

comprehensive ecosystem of interconnected technologies, such as global remittance, payments, e-wallet solution, foreign currency exchange, micro-insurance, tele-health, micro-loans, telco services and more. All with aspirations of giving customers a dependable digital first experience and elevate financial access across all walks of life,” added Ramasamy.

“Forging this partnership with Merchantrade provides MCIS Life with significant upside potential. It allows us to break away from the traditional bancassurance model which often incurs exorbitant fees and simultaneously strengthens our position as the sole life insurance partner within the Merchantrade eco-system,” Prasheem elaborated.

Prasheem added that MCIS Life’s strategy is focused on enhancing customer experience through innovative product solutions and digitised service offerings. The synergies between the two companies will be further supported by Merchantrade’s technology solutions as well as its foray into the payment space.

“We aim to achieve our targets by rolling out more products to suit Merchantrade’s target market and this strategic alliance is expected to contribute over 25% of MCIS Life’s non-agency new business contributions by 2025.”

The acquisition forms a bold step forward, further strengthening the existing ties between both companies since 2019 and MCIS Life see tremendous value in Merchantrade’s mobile e-wallet application and nationwide on ground touchpoints allowing access to the underserved communities.

“Currently MCIS Life is the exclusive life insurance partner of Merchantrade. Considering the potential of the company and various opportunities to collaborate and create value for existing and prospective customers, this investment is expected to bring significant value to us,” Prasheem explained.

In line with its brand promise – “People Helping People” - MCIS Life also aims to roll out more inclusive, simple and affordable solutions to Merchantrade’s underserved customer base such as Malaysia’s B40 segment and migrant workers. It will also expand its offerings on employee benefits and bespoke products for corporate clients, high end products for the remittance market and online products for the technology savvy.

ENDS



About MCIS Life

MCIS Insurance Berhad (MCIS Life) is a pioneer life insurer in Malaysia since 1954, regulated by Bank Negara Malaysia, and a proud member of the Sanlam Group, one of the world's biggest internationally active insurance groups, since 2014.

#PeopleHelpingPeople

About Sanlam Group

Sanlam is a pan-African financial services group listed on the Johannesburg, Namibian and A2X stock exchanges. Through its five business clusters – Sanlam Personal Finance, Sanlam Emerging Markets, Sanlam Investment Group, Sanlam Corporate and Santam - the Group provides comprehensive and bespoke financial solutions to institutional clients and consumers across all market segments. Sanlam's areas of expertise include life and general insurance, financial planning, retirement, investments and wealth.

Established in 1918 as a life insurance company, Sanlam has evolved into the largest non-banking financial services group in Africa through its diversification strategy.

Headquartered in South Africa, Sanlam has a direct stake in financial services entities in Namibia, Botswana, Swaziland, Zimbabwe, Mozambique, Mauritius, Malawi, Zambia, Tanzania, Rwanda, Uganda, Kenya, and Nigeria. The Group owns Saham Finances, thereby having a footprint of insurance operations in Morocco, Angola, Algeria, Tunisia, Ghana, Niger, Mali, Senegal, Guinea, Burkina Faso, Cote D'Ivoire, Togo, Benin, Cameroon, Gabon, Republic of the Congo, Madagascar, Burundi, and Lesotho.

Sanlam also has insurance business interests in India, Malaysia and the United Kingdom and has business interests in the USA, Australia, the Philippines, Lebanon and Saudi Arabia.

For further information on Sanlam, please visit us at www.sanlam.com

About Merchantrade Asia

Merchantrade Asia Sdn. Bhd. is a leading fintech company and Malaysia's largest Money Services Business operator and fast-growing e-Money issuer.

Merchantrade operates 98 branches, 2 main wholesale banknote trading hubs, has more than 1,000 agent locations and cash-in cash-out merchants throughout Malaysia. Its award-winning digital platforms such as eRemit mobile money transfer app, available in both Malaysia and Singapore allows for seamless worldwide personal money transfers, and Merchantrade Money an app and card-based digital wallet that offers a range of digital



financial services, including multi-currency wallet solution, digital payments, remittance services, currency exchange, micro-insurance, mobile reloads and more.

For more information, please visit www.mtradeasia.com

###

For media inquiries, please contact:

Gayathri | gayathri.saravanakumar@mcis.my | 6012 322 0025

COLLABORATING TO SERVE THE UNDERSERVED & NICHE MARKETS



Low Income / Underserved Market



2 mil
Migrant workers
(June 2020 ; Documented)¹

>170,000 Refugees & asylum seekers in Malaysia
(September 2021)²



1.51 mil

SMEs & MSMEs



in Malaysia (2020)³



2.91 mil
B40* Households
in Malaysia (2019)⁴

High Income

1.46 mil
T20** Households
in Malaysia (2019)⁵



~13.1 mil
Outbound trips
from Malaysia
(2019F)⁶

>110,000
Expatriates in Malaysia
(2019)⁷



>70,000
Malaysians
studying overseas
(2019)⁸



>130,000
Foreign students
(higher education)
in Malaysia
(September 2019)⁹



*B40 (The bottom 40% household income group)

**T20 (The top 20% household income group)

Data sources:

- https://www.dosm.gov.my/v1/uploads/files/1_Articles_By_Themes/Labour%20Market/Labour%20Market%20Review%20Q4%202020/Labour%20Market%20Review,%20Q4%202020,%20Malaysia.pdf
- <https://www.unhcr.org/en-my/figures-at-a-glance-in-malaysia.html>
- <https://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/sme-statistics>
- https://www.dosm.gov.my/v1/index.php?r=column/themeByCat&cat=120&bul_id=TU00TmRhQ1N5TUxHVVN0T2VjbXJYZz09&menu_id=amVoWU54UT10a21NWmdhMjFMMWcyZz09
- <https://newsroom.mastercard.com/asia-pacific/files/2017/01/Mastercard-Future-of-Outbound-Travel-Report-2016-2021-Asia-Pacific1.pdf>
- <https://themalaysianreserve.com/2019/03/01/govt-to-stop-employing-expatriates-below-rm5000/>
- <https://www.theedgemarkets.com/content/advertise/fulfilling-your-child-dreams-of-studying-abroad>
- <https://www.universityworldnews.com/post.php?story=2020120216283461#:~:text=A%20total%20of%2092%2C415%20foreign,according%20to%20the%20education%20ministry>